

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
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Connect America Fund)	WC Docket No. 10-90
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Reply Comments of GVNW Consulting, Inc.

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Executive Summary

The Commission sits on the proverbial launch pad, and must decide whether to relegate many Alaskans to second class service, or whether to fire the thrusters toward a long-term solution that meets both the federal laws still on the books from the Telecommunications Act of 1996 and the arbitrary and court-challenged fund restrictions emanating from the 2011 Transformation Order.

RAF policy deliberations should consider the unique characteristics of locations like Alaska or Hawaii in determining areas eligible for Remote Areas Funding. Rather than satellite, the primary need for RAF funding in Alaska is for buildout of middle mile infrastructure. For Alaska, an annual ‘subsidy’ directed at building terrestrial middle mile will be infinitely more effective than individual consumer subsidies for satellite, which will never provide Alaskans the speeds and reliability necessary to meet the Commission’s universal service goals. A review of the comments in this docket shows a rare consensus of diverse parties that a consumer subsidy for satellite services would be a poor public policy choice for the RAF, especially in Alaska.

In Alaska, carriers have deployed cost-effective last-mile infrastructure that is broadband capable. The challenge that the RAF should address relates to assigning an appropriate amount of the RAF to ameliorate the lack of affordable middle mile facilities by continuing to develop and deploy middle mile facilities in rural Alaska.

We recommend that the Commission take steps to ensure that this type of NBM review does not become a means to encourage an unsubstantiated whining and complaining forum by customers. This type of necessary check and balance to the NBM deficiencies can be controlled with a proper vetting process.

INTRODUCTION AND BACKGROUND

GVNW Consulting, Inc. (GVNW) submits reply comments filed pursuant to the Commission's Public Notice (DA 13-69), released on January 17, 2013. In the instant Public Notice, the Wireline Competition Bureau seeks further comment on issues regarding the design of the Remote Areas Fund.

GVNW is a management consulting firm that provides a wide variety of consulting services, including regulatory and advocacy support on issues such as universal service, intercarrier compensation reform, and strategic planning for communications carriers in rural America. We are pleased to have the opportunity to offer reply comments addressing the issues the Commission has raised in the *Public Notice*, focusing on issues in Alaska and Hawaii.

PUBLIC POLICY GOALS SHOULD BE WELL DEFINED

As the Commission analyzes the issues in this important proceeding, we respectfully request that the needs of all customers, including those in the most extreme areas, be recognized.

In order to meet the directive in paragraphs 533 and 534 of the Transformation Order to create a Remote Areas Fund (RAF) that is geared “to ensure that even Americans living in the most remote areas of the nation, where the cost of providing terrestrial broadband service is extremely high, can obtain service”, carefully crafted policy is in order.

In Alaska, carriers have deployed cost-effective last-mile infrastructure that is broadband capable. The challenge that the RAF should address relates to assigning an appropriate amount of the RAF to ameliorate the lack of affordable middle mile facilities by continuing to develop and deploy middle mile facilities in rural Alaska.

ALASKA'S LACK OF TERRESTRIAL FACILITIES SHOULD BE ADDRESSED

At paragraph 7 of this RAF Public Notice, the question is posed as to whether the deliberations should consider “*the unique characteristics of locations like Alaska or Hawaii in determining areas eligible for Remote Areas Funding.*” GVNW believes this to be the case, and notes that the Alaska Rural Coalition succinctly summarizes at page 5 of its comments one of the Alaska problems: “*Rather than satellite, the primary need for RAF funding in Alaska is for buildout of middle mile infrastructure. For Alaska, an annual ‘subsidy’ directed at building terrestrial middle mile will be infinitely more effective than individual consumer subsidies for satellite, which will never provide Alaskans the speeds and reliability necessary to meet the Commission’s universal service goals.*” GVNW asserts that the challenge in Alaska requires¹ a unique solution.

One of the issues being debated in this docket is the efficacy of a consumer subsidy for satellite service. In most dockets that address Alaska issues, there is a clear dichotomy of opinion. GVNW Consulting will be closely aligned in position with the Alaska Rural Coalition, and the national associations like NTCA – The Rural Broadband Association and the Western Telecommunications Alliance. With a different position, and often a polar opposite view, will be General Communication, Inc. In these cases, the Commission is faced with cutting the Gordian knot between two carefully crafted and intricately constructed positions. A review of the comments in this docket shows a rare consensus of these diverse parties that a consumer subsidy for satellite services would be

¹ Several carriers are working proactively in this regard. For example, see ex parte visits filed by Arctic Slope Telephone Association Cooperative, Copper Valley Telephone, and TelAlaska dated February 27 and 28, and March 4, 2013, discussing proposed Arctic Fiber Network that would produce a cost-effective solution for the most remote areas of Alaska, while meeting both short-term AND long-term universal service metrics.

a poor public policy choice for the RAF. The reasons offered include, but are not limited to: the simple fact that a satellite connection cannot provide the speeds and latency to meet a reasonable broadband metric; the lack of satellite coverage² in many remote areas of Alaska; and the oft ignored need for continuing and ongoing customer service.

While there is no guarantee of public policy success when such a diverse group reaches a consensus, it certainly merits careful consideration by the policy maker.

IN SOME AREAS, SATELLITE WILL NOT MEET A REASONABLE METRIC

The Commission sits on the proverbial launch pad, and must decide whether to relegate many Alaskans to second class service, or whether to fire the thrusters toward a long-term solution that meets both the federal laws still on the books from the Telecommunications Act of 1996 and the arbitrary and court-challenged fund restrictions emanating from the 2011 Transformation Order.

The National Broadband Plan (NBP) blithely assumes away high cost areas by asserting that “satellite is the answer.” From a practical standpoint, this ignores the operating environment in Alaska. As the ARC notes on page 26 of their earlier USF comments: *“Ice, snow, high winds, and other harsh winter weather in Alaska will make satellite installation at customer homes so unsafe as to be considered impossible for six months out of the year. Alaska’s rugged landscape can interfere with a clear signal – mountains and even trees can completely block the satellite beam in particular locations.*

² A visit to the ViaSat website indicates that coverage does not include many remote areas of Alaska. While one could argue that the entire state is a remote location, even the satellite footprint seems to find the few population centers in the state.

Customers may not know whether or not they can reach the satellite signal's coverage until after they install satellite equipment and forego other service opportunities."

We encourage the Commission to consider the needs of all customers, including customers that live in harsh and extreme climates, as a RAF plan is developed.

MECHANISMS TO CORRECT NATIONAL BROADBAND MAP ERRORS SHOULD BE GIVEN CONSIDERATION

There has been ample discussion about the level of problems with the current results of the National Broadband mapping (NBM). The question is: What should be done, and how can it be done in a cost-effective manner?

The proposal from the State of Hawaii in their comments at page 3 to address the flaws in the current NBM for the states of Hawaii and Alaska deserves careful review. Hawaii offers an approach that understands that both Alaska and Hawaii are significantly different in terms of geography and broadband deployment from the rest of the country. In brief, the state of Hawaii suggests that the FCC create a self-reporting system that would enable individual customers and other observers to report information on what is termed "broadband dead zones."

We encourage the Commission to consider this proposal. We recommend that the Commission take steps to ensure that this type of NBM review does not become a means to encourage an unsubstantiated whining and complaining forum by customers. This type of necessary check and balance to the NBM deficiencies can be controlled with a proper vetting process.

GVNW Consulting, Inc.
Reply Comments in WC Docket No. 10-90 - RAF
March 18, 2013

Respectfully submitted,

Via ECFS at 3/18/13

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